

## **COUNCIL OF THE CITY OF SEAT PLEASANT, MARYLAND**

**Ordinance No.:** O-18-11  
**Introduced by:** City Council  
**Date Introduced:** April 2, 2018  
**First Reading:** April 2, 2018  
**Second Reading:** April 9, 2018  
**Date Approved:** April 9, 2018  
**Date Effective:** May 7, 2018

### **AN ORDINANCE concerning**

#### **CHAPTER 113– Creation of the Seat Pleasant Economic and Community Development Corporation**

**FOR** the purpose of enacting a new Chapter 113 of the Code of the City of Seat Pleasant, entitled “Seat Pleasant Economic and Community Development Corporation”; providing definitions and terminology associated therewith; providing for the creation, establishment and administration of the Seat Pleasant Economic and Community Development Corporation; providing for the creation, funding, distribution, and use of the Seat Pleasant Economic and Community Development Corporation’s assets; providing that the title of this Ordinance shall be deemed a fair summary, and generally relating to the Seat Pleasant Economic and Community Development Corporation.

**BY** enacting a new Chapter 113 – Seat Pleasant Economic and Community Development Corporation  
Sections 113-1, 113-2, and 113-3  
Code of the City of Seat Pleasant (1994 Edition, as amended)

**WHEREAS**, pursuant to § C-501(a) of the Charter of the City of Seat Pleasant (the “Charter”), the Council of the City of Seat Pleasant (the “City Council”) has the power to pass all such ordinances not contrary to the Constitution and laws of the State of Maryland or the Charter as it may deem necessary for the good government of the City of Seat Pleasant (the “City”); for the protection and preservation of the City’s property, rights, and privileges; for the preservation of peace and good order; and for securing persons and property from violence, danger, or destruction; and

**WHEREAS**, pursuant to § C-1304 of the Charter, the City shall have the power to do whatever may be necessary to protect City property and to keep all City property in good condition;

and

**WHEREAS**, pursuant to Md. Code Ann., Local Gov't § 5-205(a), the City may provide for the control and management of its finances; and

**WHEREAS**, the City Council finds that there is a critical shortage of affordable and accessible housing and mixed-use development in the City; and

**WHEREAS**, many of the City's communities need assistance to begin or continue the process of neighborhood revitalization; and

**WHEREAS**, much of the City's housing stock is vacant and/or in need of repair; and

**WHEREAS**, municipal programs that assist homeowners in repairing their homes have a proven effect of reducing housing abandonment and homelessness, with programs targeting home repairs in a specific area or reinforcing other investments proving particularly effective; and

**WHEREAS**, additional housing development and preservation resources will support and strengthen the City's economic development goals; and

**WHEREAS**, other State and local governments throughout the United States, including in the State of Maryland and Prince George's County, have created economic and community development corporations or similar funding vehicles to promote affordable housing development, preservation and neighborhood revitalization; and

**WHEREAS**, the City Council finds that creating a Seat Pleasant Economic and Community Development Corporation is sound public policy that will provide needed resources to support affordable housing development, preservation and neighborhood revitalization and strengthen the City's economic development goals; and

**WHEREAS**, the City Council desires to enact a new Chapter XXX of the City Code, entitled "Seat Pleasant Economic and Community Development Corporation"; provide definitions and terminology associated therewith; provide for the establishment and administration of the Seat Pleasant Economic and Community Development Corporation; and provide for the creation, funding, distribution, and use of the Seat Pleasant Economic and Community Development Corporation's assets.

**SECTION 1. BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT** that a new Chapter 113, entitled "Seat Pleasant Economic and Community Development Corporation", is hereby added to the Code of the City of Seat Pleasant, as follows:

## **CHAPTER 113 – Seat Pleasant Economic and Community Development Corporation**

### **§ 15-1. Definitions.**

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As used in this Chapter, the following terms have the meanings stated:

- A. “Affordable housing” shall mean and refer to housing, either owner-occupied or rental, for which the household spends no more than 30 percent of its gross income on housing related expenses; provided, however, that any housing program or project that receives federal or State funds and complies with regulations applicable to such funding source(s) regarding the percentage of household income to be spent on housing shall be considered “affordable housing” for purposes of this definition or as decided upon by an Board of Directors.
- B. “Community development” shall mean and refer to a process where elected officials and community members come together to take collective action and generate solutions to common problems. Community wellbeing (economic, social, environmental and cultural) often evolves from this type of collective action being taken at a grassroots level.

**§ 113-2. Creation, Establishment and Administration of the Economic and Community Development Corporation.**

- A. The Seat Pleasant Economic and Community Development Corporation (SPECDC) shall be created by the Director of Economic Development as a separate corporate entity, Maryland not-for-profit corporation, established in the name of “The Seat Pleasant Economic and Community Development”, held by “The City of Seat Pleasant, a Maryland municipal corporation”, into which shall be deposited funds collected pursuant to § 113-3(A) of this Chapter.
- B. The SPECDC shall be administered by the Economic Development Department and managed by an Executive Director appointed by the Mayor, who shall account for the Economic and Community Development Corporation. A Board of Directors comprised of the City Administrator, Director of Economic Development, and City Treasurer shall have oversight and final authority over all matters relating to the SPECDC, including approval of all decisions regarding the SPECDC monies, subject to consideration of the Executive Director’s recommendations and except as otherwise stated in this Chapter. The Board of Directors shall meet on a quarterly basis based on the availability of each member. The SPECDC projects shall be recommended by the Executive Director and decided by the Board of Directors.
- C. The Executive Director, subject to the Board of Directors’ approval, may utilize a separate, independent entity to invest the proceeds of the SPECDC in furtherance of the purposes of this Chapter and subject to the City’s investment policies and procedures.
- D. In addition to the other duties specified herein, the Executive Director shall:

- (1) Develop an annual plan for using the Economic and Community Development Corporation's assets in furtherance of the purposes of this Chapter, which shall be approved by the Board of Directors for submission to the City Council, which may then approve the plan by resolution;
  - (2) Disburse funds from the Economic and Community Development Corporation in accordance with a duly-approved annual plan as specified in § 113-2(D)(1) of this Chapter; and
  - (3) Recommend to the Board of Directors qualified funding projects in accordance with the details of the annual plan, or to otherwise assist in the administration and management of the SPECDC; and
  - (4) Perform such other duties as the Mayor may direct.
- D. It is the intention of the City Council that the Economic and Community Development Corporation be a dedicated funding source used for the purpose of this Chapter and in accordance with all applicable federal, State, and local laws and regulations. The SPECDC shall develop and manage its own budget and its fiscal year shall be aligned with that of the City. Accordingly, any assets remaining in the SPECDC at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.

**§ 113-3. Creation, Distribution, and Use of the SPECDC's Assets.**

- A. The Economic and Community Development Corporation will be funded through the following sources:
- (1) Grants and/or loans from private sources, Prince George's County, the State of Maryland, and/or the federal government; and
  - (2) Appropriations from the City's General Fund or other City funds;
  - (3) Other gifts, donations, or grants; or
  - (4) Other sources of funding as the City Council may from time to time specify by ordinance.
- B. Funds appropriated from the Economic and Community Development Corporation shall be used to fund programs and projects for the benefit of affordable housing and economic and community development within the corporate limits of the City that:
- (1) Increase production of affordable housing for sale or rent;
  - (2) Increase the accessibility of new and existing development projects to citizens and residents, both existing and potential, and increase the supply of urban development;

- (3) Manage funds for, including but not limited to, grants or loans for basic repair, rehabilitation, or improvement of housing and business stock, adaptive modification, or the targeted improvement of facades;
  - (4) Provide funds to match other local, State, or federal housing assistance programs;
  - (5) Provide counseling and education as to housing and business development options for City residents; and
  - (6) Pay the actual staffing and operation costs associated with the administrative costs of the Economic and Community Development Corporation as set forth in § 113-3(C) of this Chapter.
- C. Administrative costs of the SPECDC associated with funding and administering the programs and projects specified in this Chapter may be paid from the SPECDC's assets or from other revenue sources as designated by the City Council as part of the City's annual budget process.
- D. On an annual basis, a percentage of the SPECDC monies that are used for purposes other than to pay for administrative costs shall be used to fund programs and projects specified by this Chapter for the benefit of households with low to moderate incomes. The exact percentage shall be determined by a majority vote of the Board of Directors.

**SECTION 2. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT** that the Recitals to this Ordinance are incorporated herein and deemed a substantive part of this Ordinance.

**SECTION 3. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT** that all other ordinances or parts of ordinances or provisions of the Code of the City of Seat Pleasant (1994 Edition, as amended) in conflict with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

**SECTION 4. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT** that the title of this Ordinance, or a condensed version thereof, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

**SECTION 5. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT** that, if any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance, it being the intent of the City Council that this Ordinance shall stand, notwithstanding the invalidity of any section, subsection, sentence, clause, phrase or portion hereof.



**SECTION 6. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT** that the City Clerk shall certify to the passage of this ordinance, and cause the same or, to the extent permitted by the Charter, a fair summary of the same, to be published as required by law, and that this Ordinance shall become effective at the expiration of twenty (20) days following approval by the Mayor or passage by the City Council over the Mayor's veto.

**COUNCIL OF THE CITY OF SEAT PLEASANT**

  
Charl Jones, Councilmember

  
Hope Love, Councilmember

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Lamar Maxwell, Councilmember

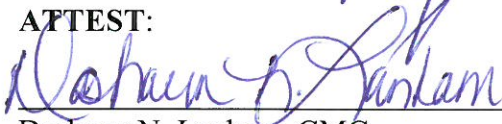
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Shireka McCarthy, Councilmember

  
Kelly Porter, Councilmember

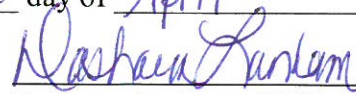
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Gloria L. Sistrunk, Councilmember

  
Reveral L. Yeargin, Councilmember

**ATTEST:**

  
Dashaun N. Lanham, CMC  
City Clerk

This Ordinance was presented to the Mayor for his approval or disapproval pursuant to § C-313 of the Charter of the City of Seat Pleasant this 9th day of April, 2018.



Dashaun Lanham, CMC  
City Clerk

In accordance with § C-313 of the Charter of the City of Seat Pleasant, I hereby (APPROVE) (DISAPPROVE) of this Ordinance this 10 day of April, 2018.



Eugene W. Grant, Mayor

**EXPLANATION:**

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

((Double Parenthesis)) indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike Out~~ indicates matter stricken from bill by amendment or deleted from the law by amendment.